

# Memorandum

Date : March 22, 2002  
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To: Arthur H. Rosenfeld, Commissioner and Committee Presiding Member  
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From: California Energy Commission - Matt Trask  
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Subject: **SAN JOAQUIN VALLEY ENERGY CENTER PROJECT (01-AFC-22)**  
**(Formerly the Central Valley Energy Center)**  
**STATUS REPORT NO. 1**

Staff has prepared the following status report to inform the Committee of the progress of the case. Since the Staff's Issue Identification Report was filed on January 28, 2002, the Staff has become aware of some additional issues that have the potential to significantly delay the release of the Staff Assessment for this 6-month proceeding.

## ISSUES

### ***AIR QUALITY***

The San Joaquin Valley Air Pollution Control District has indicated that there will be a delay in releasing its Preliminary Determination of Compliance (PDOC) for the SJVEC because of concern over the appropriate BACT levels that should be applied to this project. The district is reportedly working with US EPA Region 9 in San Francisco to determine the appropriate BACT and commissioning levels for the project. Errol Villegas of the District reported that he hopes to complete the PDOC by March 29. Staff has scheduled a workshop on April 9<sup>th</sup> at 10 am in Hearing Room B to discuss the PDOC and Calpine's recent data responses, and to resolve any outstanding issues.

### ***BIOLOGICAL RESOURCES***

Staff is currently awaiting a letter from the US Fish & Wildlife Service confirming earlier oral reports from them that Calpine need not enter a formal consultation process to resolve any issue of listed species/habitat take. Nancy Pau of the USFWS office in Sacramento had stated she would submit the letter by March 20, but she reported recently that she had not yet received Calpine's letter requesting concurrence. Calpine had docketed such a letter with the Commission on March 18, so the USFWS should have it shortly.

### ***CULTURAL RESOURCES***

Calpine intends to submit responses to several of staff's data requests for cultural resources "in late March." These primarily will consist of required forms and data related to the potential effect on setting and potential impact to historical resources, both at the project site and along the linear routes.

## ***NOISE***

According to Calpine's AFC, operation of the proposed SJVEC would increase sound levels at many nearby sensitive receptors (homes) by up to 20 decibels (db), which is well above the 5 db threshold that staff uses as a guideline for determining the potential for significant noise impacts from power plant operation. Calpine has stated that they plan to submit a mitigation package that would reduce this impact to a less than significant level. This package reportedly will consist of a combination of on-site (e.g., installing filters on the turbine inlets, enclosures around the turbines, quieter pumps, motors and fans, etc.) and off-site (e.g., installing insulation and double-pane windows in the affected homes) mitigation. Staff has scheduled a workshop on April 9<sup>th</sup> at 10 am in Hearing Room B to discuss Calpine's noise mitigation package, and to resolve any outstanding issues. Staff anticipates that the package may not be sufficient to meet the Energy Commission's requirements, thereby prompting the need for another round of data requests and responses, and perhaps further delay before staff can complete its analysis and release the SA.

## ***PUBLIC HEALTH/HAZARDOUS MATERIALS HANDLING***

The most recent SJVEC Health Risk Assessment (HRA) files sent to Staff by Calpine apparently contained corrupted files, giving incorrect results in the modeling runs conducted by staff. Calpine has since sent corrected files, and staff is currently analyzing the new information. Early modeling results indicate potential for a significant impact to Public Health from a rupture of the anhydrous ammonia tank that Calpine is proposing for the SJVEC, or from the tanker truck that would deliver the anhydrous ammonia. Additionally, Staff has identified this impact as a potential Environmental Justice issue, as the area affected would be approximately 98 percent minority. To reduce the potential for serious health effects to a less than significant level, and thereby avoid the potential EJ issue, staff is urging Calpine to switch to the use of aqueous ammonia rather than anhydrous. This subject will be a topic of the scheduled 4/9 workshop mentioned above.

## ***SOIL AND WATER RESOURCES***

The Commission's Soil and Water Staff is awaiting data responses related to Calpine's proposed Erosion and Sediment Control Plan. Calpine intends to submit those responses "in late March."

## ***TRANSMISSION SYSTEM ENGINEERING***

The applicant and the Cal-ISO presently disagree as to the level of overloads that would occur with the SJVEC connected to the grid. In a letter to the applicant, dated February 21, 2002, the Cal-ISO stated that without further mitigation, the output of the 1060 MW SJVEC would be limited to as little as 300 MW during the summer peak hours. The Cal-ISO and PG&E are both recommending that Calpine upgrade at least one transmission line segment (8 miles of the 70kV Borden-Gregg line) in order to increase the amount of power that the facility could deliver to the grid during peak hours. Recent

communications with the applicant indicates they are considering two courses of action: either obtain a re-rating of the line segment, or reconductoring the line segment, which would include submitting the environmental analysis needed for that work, such as surveys for biological and cultural resources. The applicant stated it would submit its transmission system mitigation plan to the Cal-ISO and to Energy Commission staff on April 1. The Cal-ISO has indicated it will be able to respond to Calpine's submittal by April 8. Staff has scheduled a workshop on the issue for April 9 in Hearing Room B at the Energy Commission to discuss Calpine's proposal and the ISO's comments, and to resolve any remaining issues.

### ***VISUAL RESOURCES***

Staff has requested that Calpine conduct additional analysis of potential visual resources impacts from several viewpoints within the City, such as from the school playground and a nearby park. Additionally, Calpine is presently working with the City and a citizen's committee to draft a comprehensive landscaping plan, both for the plant site and for several areas around the city where the project might be seen. This project is unusual in that the residents of the area have indicated they actually do not want the project to be screened from view by landscaping. Rather, they have asked that the landscaping plan "frame" and enhance the view of the power plant itself. Calpine had intended to submit further visual resource analysis and mitigation "in late March." Staff received word on March 22 that this submittal may be delayed somewhat, perhaps by as much as a week. This information, and perhaps further resolution of issues associated with the analysis of visual resources, will also be a topic of the planned 4/9 workshop mentioned above.

### ***WASTE MANAGEMENT***

Early analysis by the Commission's Waste Management Staff indicated that a Phase II Environmental Site Assessment was appropriate for the SJVEC site and linear routes because of the extensive use of pesticides and herbicides. Calpine is in the process of completing the assessment, and intends to deliver it to Staff "in late March."

### ***SCHEDULE***

Providing that the new information submitted to staff by Calpine in this case does not trigger another round of data requests and responses, staff expects to file its SA within 30 days after the last critical information is received. Staff would conduct its first Staff Assessment Workshop approximately 2 weeks after the SA is released. Staff proposes to complete any needed addendum to the Staff Assessment by 35 days after the SA is published, if all critical information items needed to complete any additional analysis have been received; otherwise the addendum will be completed within 30 days from receipt of all additional critical information items. If the addendum to the SA contained only minor new analysis, Staff could perhaps release the addendum significantly sooner.

This schedule allows sufficient time for staff to conduct SA workshops in coordination with the City and other interested agencies, for staff to receive final determinations from local, state, and federal agencies, and to receive critical information from the applicant. However, as stated above, delays in submissions by the applicant to staff or to the appropriate local, state, or federal agencies, could result in delays in determinations and release of documents by agencies. Without such information, it would be difficult for staff to prepare a conclusive and meaningful SA addendum.

cc: POS